
HOUSE BILL No. 1887

DIGEST OF INTRODUCED BILL

Citations Affected: IC 4-33-13-5; IC 20-1-23.

Synopsis: Smart start program. Requires the state board of education to adopt rules and develop a plan to establish a state smart start program. Establishes a smart start commission and a smart start fund. Requires the commission, in accordance with the rules adopted by the board, to decide upon applications from community programs, schools, and school corporations for approval and funding of local school readiness programs. Annually appropriates \$10,000,000 to the commission from the state gaming fund for its use in operating the smart start program and awarding grants to local school readiness programs.

Effective: July 1, 2003.

Austin

January 23, 2003, read first time and referred to Committee on Ways and Means.

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First Regular Session 113th General Assembly (2003)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2002 Regular or Special Session of the General Assembly.

HOUSE BILL No. 1887

A BILL FOR AN ACT to amend the Indiana Code concerning education and to make an appropriation.

Be it enacted by the General Assembly of the State of Indiana:

- 1 SECTION 1. IC 4-33-13-5, AS AMENDED BY P.L.192-2002(ss),
2 SECTION 26, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
3 JULY 1, 2003]: Sec. 5.(a) **Each year**, after funds are appropriated
4 under section 4 of this chapter ~~each month but before August 1~~, the
5 treasurer of state shall distribute **ten million dollars (\$10,000,000)** of
6 the tax revenue deposited in the state gaming fund under this chapter
7 to **the smart start fund established under IC 20-1-23-6**. **Each month**
8 **the treasurer of state shall distribute tax revenue deposited in the**
9 **state gaming fund to** the following:
10 (1) The first thirty-three million dollars (\$33,000,000) of tax
11 revenues collected under this chapter shall be set aside for
12 revenue sharing under subsection (d).
13 (2) Subject to subsection (b), twenty-five percent (25%) of the
14 remaining tax revenue remitted by each licensed owner shall be
15 paid:
16 (A) to the city that is designated as the home dock of the
17 riverboat from which the tax revenue was collected, in the case



of:

(i) a city described in IC 4-33-12-6(b)(1)(A); or

(ii) a city located in a county having a population of more than four hundred thousand (400,000) but less than seven hundred thousand (700,000);

(B) in equal shares to the counties described in IC 4-33-1-1(3), in the case of a riverboat whose home dock is on Patoka Lake; or

(C) to the county that is designated as the home dock of the riverboat from which the tax revenue was collected, in the case of a riverboat whose home dock is not in a city described in clause (A) or a county described in clause (B).

(3) Subject to subsection (c), the remainder of the tax revenue remitted by each licensed owner shall be paid to the property tax replacement fund.

(b) For each city and county receiving money under subsection (a)(2)(A) or (a)(2)(C), the treasurer of state shall determine the total amount of money paid by the treasurer of state to the city or county during the state fiscal year 2002. The amount determined is the base year revenue for the city or county. The treasurer of state shall certify the base year revenue determined under this subsection to the city or county. The total amount of money distributed to a city or county under this section during a state fiscal year may not exceed the entity's base year revenue. For each state fiscal year beginning after June 30, 2002, the treasurer of state shall pay that part of the riverboat wagering taxes that:

- (1) exceeds a particular city or county's base year revenue; and
- (2) would otherwise be due to the city or county under this section;

to the property tax replacement fund instead of to the city or county.

(c) Each state fiscal year the treasurer of state shall transfer from the tax revenue remitted to the property tax replacement fund under subsection (a)(3) to the build Indiana fund an amount that when added to the following may not exceed two hundred fifty million dollars (\$250,000,000):

- (1) Surplus lottery revenues under IC 4-30-17-3.
- (2) Surplus revenue from the charity gaming enforcement fund under IC 4-32-10-6.
- (3) Tax revenue from pari-mutuel wagering under IC 4-31-9-3.

The treasurer of state shall make transfers on a monthly basis as needed to meet the obligations of the build Indiana fund. If in any state fiscal year insufficient money is transferred to the property tax replacement

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fund under subsection (a)(3) to comply with this subsection, the treasurer of state shall reduce the amount transferred to the build Indiana fund to the amount available in the property tax replacement fund from the transfers under subsection (a)(3) for the state fiscal year.

(d) Before August 15 of 2003 and each year thereafter, the treasurer of state shall distribute the wagering taxes set aside for revenue sharing under subsection (a)(1) to the county treasurer of each county that does not have a riverboat according to the ratio that the county's population bears to the total population of the counties that do not have a riverboat. The county treasurer shall distribute the money received by the county under this subsection as follows:

(1) To each city located in the county according to the ratio the city's population bears to the total population of the county.

(2) To each town located in the county according to the ratio the town's population bears to the total population of the county.

(3) After the distributions required in subdivisions (1) and (2) are made, the remainder shall be retained by the county.

(e) Money received by a city, town, or county under subsection (d) may be used only:

(1) to reduce the property tax levy of the city, town, or county for a particular year (a property tax reduction under this subdivision does not reduce the maximum levy of the city, town, or county under IC 6-1.1-18.5);

(2) for deposit in a special fund or allocation fund created under IC 8-22-3.5, IC 36-7-14, IC 36-7-14.5, IC 36-7-15.1, and IC 36-7-30 to provide funding for additional credits for property tax replacement in property tax increment allocation areas;

(3) to fund sewer and water projects, including storm water management projects; or

(4) for police and fire pensions.

However, not more than twenty percent (20%) of the money received under subsection (d) may be used for the purpose described in subdivision (4).

(f) Before September 15 of 2003 and each year thereafter, the treasurer of state shall determine the total amount of money distributed to an entity under IC 4-33-12-6 during the preceding state fiscal year. If the treasurer of state determines that the total amount of money distributed to an entity under IC 4-33-12-6 during the preceding state fiscal year was less than the entity's base year revenue (as determined under IC 4-33-12-6), the treasurer of state shall make a supplemental distribution to the entity from taxes collected under this chapter and deposited into the property tax replacement fund. The amount of the

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supplemental distribution is equal to the difference between the entity's base year revenue (as determined under IC 4-33-12-6) and the total amount of money distributed to the entity during the preceding state fiscal year under IC 4-33-12-6.

SECTION 2. IC 20-1-23 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]:

Chapter 23. Smart Start Program

Sec. 1. As used in this chapter, "commission" refers to the Indiana smart start commission established by section 2 of this chapter.

Sec. 2. (a) The Indiana smart start commission is established.

(b) The commission consists of eleven (11) members, as follows:

(1) The speaker of the house of representatives shall appoint two (2) members of the house of representatives. The individuals appointed under this subdivision may not be members of the same political party.

(2) The president pro tempore of the senate shall appoint two (2) members of the senate. The individuals appointed under this subdivision may not be members of the same political party.

(3) The secretary of family and social services or the secretary's designee.

(4) The state superintendent of public instruction or the superintendent's designee.

(5) The governor shall appoint five (5) members subject to subsections (c) and (d).

(c) Among the individuals appointed by the governor under subsection (b)(5):

(1) one (1) must be a teacher;

(2) one (1) must be a child care provider; and

(3) one (1) must be a parent of a student less than ten (10) years of age.

(d) Among the individuals appointed by the governor under subsection (b)(5):

(1) at least one (1) must reside in the northern one-third (1/3) of the state;

(2) at least one (1) must reside in the central one-third (1/3) of the state; and

(3) at least one (1) must reside in the southern one-third (1/3) of the state.

(e) Each member of the commission is appointed for a term of

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three (3) years.

(f) Six (6) members of the commission constitute a quorum. The affirmative votes of at least six (6) members are necessary for any action to be taken by the commission.

(g) A vacancy on the commission shall be filled in the same manner in which the vacant position was originally filled.

(h) The governor shall annually select a chairman of the commission from among the members of the commission. The commission shall annually select from the commission membership any other officers the commission considers necessary.

(i) A member of the commission who is not a state employee is entitled to the following:

(1) The minimum salary per diem provided by IC 4-10-11-2.1(b).

(2) Reimbursement for traveling expenses and other expenses actually incurred in connection with the member's duties as provided in IC 4-13-1-4 and in the state travel policies and procedures established by the Indiana department of administration and approved by the budget agency.

(j) A legislative member of the commission is entitled to receive the same per diem, mileage, and travel allowances established by the legislative council and paid to members of the general assembly serving on interim study committees. The allowances specified in this subsection shall be paid by the legislative services agency from the amounts appropriated for that purpose.

(k) A member of the commission who is a state employee but not a member of the general assembly is not entitled to any of the following:

(1) The minimum salary per diem provided by IC 4-10-11-2.1(b).

(2) Reimbursement for traveling expenses as provided under IC 4-13-1-4.

(3) Other expenses actually incurred in connection with the member's duties.

(l) The commission shall meet:

(1) at least four (4) times each year; and

(2) at other times as the chairman considers necessary.

(m) The duties of the commission include but are not limited to the following:

(1) Review and approve applications submitted by schools, school corporations, and community organizations for approval to operate local smart start programs under the

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criteria adopted by the board under section 3 of this chapter.

(2) Grant funds upon application to schools, school corporations, and community organizations to operate smart start programs approved by the commission.

(3) On an annual basis, review local smart start programs that the commission has approved and determine whether to grant additional funding to those programs.

(4) Develop and administer programs to raise private funds for the state smart start program.

(5) Establish annual goals.

(6) Not later than December 1 of each year, prepare an annual report to the governor and the legislative council evaluating the state smart start program.

(7) Employ staff as necessary to perform the duties imposed by this chapter and fix the compensation and terms of employment of the staff, subject to approval by the budget agency.

(8) Publicize the state smart start program.

(n) The department shall furnish the commission with administrative support and staff if the staff of the commission is not sufficient.

(o) The commission shall operate as a nonprofit organization exempt from taxation under Section 501(c)(3) of the Internal Revenue Code.

Sec. 3. (a) The board shall adopt rules under IC 4-22-2 establishing a state smart start program to prepare young children for school. The board shall also develop a plan for the establishment and operation of the state smart start program. The plan must be consistent with the rules adopted under this subsection and is subject to review and revision under section 5 of this chapter.

(b) Under the rules adopted under subsection (a), the commission shall accept and evaluate applications for approval and funding of local smart start programs.

(c) The rules adopted under subsection (a) must establish criteria by which proposed or existing local smart start programs will be evaluated by the commission for approval and funding. The rules must provide that programs similar to the following will be approved:

(1) Head Start programs operated under 42 U.S.C. 9831 et seq.

(2) Even Start programs.

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- (3) Transitional kindergarten and grade 1 programs.
- (4) Full day kindergarten programs.
- (5) Before school and after school child care programs.
- (6) Early childhood development programs.
- (7) Developmental services programs for children and families.
- (8) Other nationally accepted programs that improve school readiness.

The criteria must be based on national studies and research on school readiness programs.

Sec. 4. A school, school corporation, or community organization may apply for approval to operate a local smart start program and for a smart start grant. An application must comply with the rules adopted by the commission under this chapter and must include the following:

- (1) If the applicant is a school or school corporation, the goals, objectives, and expectations of the local program that are consistent with the school's strategic and continuous school improvement and achievement plan developed under IC 20-10.2-3.
- (2) The extent of participation anticipated or estimated in the local program.
- (3) The physical space needs of the local program, specifically identifying the potential need for more classrooms or facilities or for expansion of existing rooms, and the estimated cost for additional space that will be attributable to having a program.
- (4) Transportation needs, including necessary additional bus routes and buses and the estimated cost for necessary expansion of transportation.
- (5) Personnel needs.
- (6) Professional development plans for program teachers and other staff, including a description of the types and amount of training that teachers and staff in the program will be asked or required to complete before implementing a program.
- (7) Academic structure of the program, including the mix of subject areas and activities that will be provided.
- (8) A list of statutes and rules that the governing body considers necessary to have waived for the success of the program.
- (9) Parental involvement plans for the local program.
- (10) Evaluation methods that will be used to monitor progress toward meeting or exceeding the program goals, objectives,

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and expectations.

Sec. 5. (a) The board shall conduct a public hearing to give all interested parties an opportunity to review and comment on the plan developed under section 3 of this chapter for the establishment and operation of the state smart start program. Notice of the hearing must be given at least fourteen (14) days before the hearing in accordance with IC 5-14-1.5-5(b).

(b) After the public hearing, the board may revise the plan and hold another public hearing on the revised plan.

(c) The final plan of the board shall be completed by February 1, 2004.

Sec. 6. (a) The smart start fund is established for the purpose of administering the state smart start program and granting funds to schools, school corporations, and community organizations for the operation of local smart start programs approved by the commission.

(b) The fund consists of:

(1) money appropriated to the fund by the general assembly; and

(2) donations, grants, and money received from any other source.

(c) The expense of administering the fund shall be paid from money in the fund.

(d) The treasurer of the state shall invest the money in the fund not currently needed to meet the obligations of the fund in the same manner as other public money may be invested.

(e) Money in the fund at the end of a state fiscal year does not revert to the state general fund.

(f) There is annually appropriated to the fund for the purposes set forth in subsection (a) ten million dollars (\$10,000,000) distributed from the state gaming fund under IC 4-33-13-5(a).

(g) The commission may accept private donations to administer this chapter. Donations accepted under this subsection shall be deposited in the fund.

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